

**UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK**

FEDERAL TRADE COMMISSION,

Plaintiff,

v.

CELSIUS NETWORK INC., et al.,

Defendants.

**Case No. 1:23-cv-6009**

**JOINT MOTION FOR STAY AS TO CORPORATE DEFENDANTS**

Plaintiff Federal Trade Commission (“FTC” or “Commission”) and Defendants Celsius Network Inc., Celsius Network LLC, Celsius Networks Lending LLC, Celsius Lending LLC, Celsius KeyFi LLC, Celsius Mining LLC, Celsius US Holding LLC, Celsius US LLC, and Celsius Management Corp. (collectively, “Corporate Defendants,” and together with the FTC, the “Parties”), by and through undersigned counsel, have reached an agreement resolving this matter vis-à-vis the Corporate Defendants. As a result, the Parties respectfully move this Court to stay this action as to the Corporate Defendants for 45 days or until they obtain Bankruptcy Court approval of the settlement agreement between them, whichever is earlier. Should the Bankruptcy Court approve the settlement within 45 days, the FTC and Corporate Defendants will file a separate motion in this Court seeking entry of the Stipulated Order for Permanent Injunction, Monetary Judgment, and Other Relief (“Stipulated Order”, attached as **EXHIBIT A**).

**BACKGROUND**

On July 13, 2023, the FTC filed a Complaint pursuant to Sections 13(b) and 19 of the Federal Trade Commission Act, 15 U.S.C. § 53(b) and 57b, and the Gramm-Leach-Bliley Act, 15 U.S.C. §§ 6821 *et seq.*, alleging that the Defendants engaged in unfair and deceptive business

practices in violation of the FTC Act; and violated the GLB Act by using false, fraudulent, or fictitious statements to obtaining, or attempting to obtain, consumers' financial information. The FTC seeks a permanent injunction to prevent continuation of the conduct at issue and to prevent similar and related conduct in the future, as well as monetary redress. The Corporate Defendants have reached a settlement with the FTC, as set forth in the Stipulated Order.

Seven of the nine Corporate Defendants<sup>1</sup> filed voluntary petitions under Chapter 11 of the U.S. Bankruptcy Code on July 13, 2022. The cases are being jointly administered under *In re Celsius Network LLC*, No. 22-10964(MG) (Bankr. S.D.N.Y.).

### **ARGUMENT**

The Corporate Defendants have reached a settlement with the FTC that will resolve this litigation as to the Corporate Defendants. However, because seven of the Corporate Defendants are in bankruptcy proceedings, those Corporate Defendants must obtain approval of the settlement by the Bankruptcy Court under Bankruptcy Rule 9019. The Corporate Defendants and the FTC intend to file a joint motion or stipulation in the Bankruptcy Court by no later than July 21, 2023, seeking approval of the Stipulated Order as to the Corporate Defendants with active bankruptcy proceedings.

To allow the Bankruptcy Court time to consider the motion and, in its discretion, hold a hearing, the FTC and the Corporate Defendants request that the Court stay this action as to the Corporate Defendants for 45 days or until the Bankruptcy Court approves the Stipulated Order, whichever is earlier. Should the Bankruptcy Court approve the settlement within 45 days, the FTC and Corporate Defendants will file a separate motion seeking entry of the Stipulated Order

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<sup>1</sup> The Corporate Defendants that filed for bankruptcy are Celsius Network Inc., Celsius Network LLC, Celsius Networks Lending LLC, Celsius Lending LLC, Celsius KeyFi LLC, Celsius Mining LLC, and Celsius US Holding LLC.

by this Court.

Dated: July 13, 2023

Respectfully submitted,

**FOR PLAINTIFF: FEDERAL TRADE COMMISSION**

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**FOR CORPORATE DEFENDANTS: CELSIUS NETWORK INC.; CELSIUS NETWORK LLC; CELSIUS NETWORKS LENDING LLC; CELSIUS LENDING LLC; CELSIUS KEYFI LLC; CELSIUS MINING LLC; CELSIUS US HOLDING LLC; CELSIUS US LLC; and CELSIUS MANAGEMENT CORP.**

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**CERTIFICATION**

The undersigned hereby certifies that all counsel whose /s/ signature appears on the forgoing document have consented to the use of their /s/ signature.

Dated: July 13, 2023

/s/ Katherine M. Aizpuru  
Katherine M. Aizpuru  
Counsel for Plaintiff